

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 18764 171332Z

46

ACTION IO-13

INFO OCT-01 AGRE-00 USIA-06 AID-05 EB-07 AF-08 ARA-06

EA-07 EUR-12 NEA-10 COME-00 ISO-00 TRSE-00 OIC-02 L-03

OES-06 SP-02 NSC-05 CIEP-01 SS-15 STR-04 OMB-01

CEA-01 H-02 ABF-01 IGA-02 CIAE-00 DODE-00 INR-07

NSAE-00 PA-01 PRS-01 IOE-00 /129 W

----- 007098

P R 171225Z NOV 76

FM AMEMBASSY ROME

TO SECSTATE PRIORITY 1229

INFO AMEMBASSY PARIS

US MISSION GENEVA 745

US MISSION USUN NEW YORK 2974

LIMITED OFFICIAL USE ROME 18764

FODAG

PARIS FOR US MISSION TO UNESCO

E.O. 11652: N/A

TAGS: FAO, UN, OCON

SUBJECT: GENEVA GROUP CO-CHAIRMEN DISCUSSION WITH FAO DIRECTOR
GENERAL OF HIS INDICATIVE BUDGET FIGURE FOR 1978-1979

SUMMARY:

FAO DIRECTOR-GENERAL TOLD UK AND US CO-CHAIRMEN OF GENEVA GROUP THAT HE HAS IN MIND ONLY THE MOST MINIMAL REAL INCREASES IN THE FAO BIENNIAL BUDGET FOR 1978-1979, INCLUDING THE TECHNICAL COOPERATION PROGRAM COMPONENT. HE IS STILL IN THE PROCESS OF DEVELOPING AN INDICATIVE FIGURE TO PRESENT ORALLY TO THE FAO COUNCIL MEETING BEGINNING NOVEMBER 29, AND WOULD STRONGLY PREFER NOT TO PRESENT A FIGURE SO FAR IN ADVANCE OF THE PERIOD INVOLVED AND OF PROGRAM PLANNING ON WHICH THE FINAL

LIMITED OFFICIAL USE

PAGE 02 ROME 18764 171332Z

FIGURE MUST BE BASED. HE ASKED FOR GENEVA GROUP CONCURRENCE

IN THIS, WHICH THE GENEVA GROUP WILL CONSIDER FRIDAY AFTERNOON
NOVEMBER 19. END SUMMARY

1. THE UK AND US CO-CHAIRMEN OF THE GENEVA GROUP CALLED ON
FAO DIRECTOR GENERAL SAOUMA TUESDAY AFTERNOON, NOVEMBER 16.
THEY EXPLAINED THEY HAD BEEN ASKED BY THE COUNDES OF THE
GENEVA GROUP TO DISCUSS WITH HIM HIS CURRENT THINKING ABOUT THE
FAO 1978-1979 BIENNIAL BUDGET, SINCE HE IS TO PRESENT AN IN-
DICATIVE FIGURE TO THE APPROACHING FAO COUNCIL MEETING.
THE GROUP WOULD LIKE TO OPEN A CONTINUING DIALOGUE WITH HIM
OR A REPRESENTATIVE DESIGNATED BY HIM, BUT DOES NOT SEEK FOR
ITSELF ANY EXCLUSIVE ROLE IN SUCH DISCUSSIONS, REALIZING THAT
HE WOULD PROBABLY ALSO WISH TO DISCUSS THIS WITH OTHER MEMBER
COUNTRIES AS WELL. SAOUMA SAID THAT IN FACT HE HAD BEEN INVITED
TO MEET WITH THE GROUP-77 COUNTRIES NOVEMBER 25 ON THIS AND
OTHER FAO COUNCIL MATTERS.

2. SAOUMA SAID HE WELCOMED THE DISCUSSION. HE REFERRED TO THE
RECENT INCREASE IN THE UNESCO BUDGET FROM THE \$167 MILLION LEVEL
OF THE PRESENT FAO BUDGET TO A LEVEL OF \$230 MILLION, AND TO
THE CURRENT CONSIDERATION OF THE WHO BUDGET. ALTHOUGH HE CONSIDERS
FOOD PROGRAMS MORE IMPORTANT THAN TEACHERS, HE ASSURED THE CO-
CHAIRMEN HE DOES NOT HAVE ANY SUCH INCREASES IN MIND FOR FAO.
ON INFLATIONARY FACTORS, FAO IS MORE FORTUNATE THAN THE AGENCIES
IN GENEVA AND PARIS BECAUSE INFLATION WILL BE OFF-SET TO A
DEGREE BY CHANGES IN THE DOLLAR-LIRE EXCHANGE RATE. HE SPOKE
TENTATIVELY OF AN INFLATION FACTOR OF ABOUT 8 PERCENT ANNUALLY.
THIS IS DIFFICULT TO ESTIMATE SO FAR IN ADVANCE OF THE PERIOD
INVOLVED. AS TO REAL INCREASES, HE INTENDS TO KEEP THOSE
MINIMAL, AND HAS IN MIND SOME POSSIBLE REDUCTIONS IN STAFF IN
SPECIFIC AREAS. FOR THE TECHNICAL COOPERATION PROGRAM HE FORESEES
AN INCREASE IN THE ORDER OF ONLY ABOUT 2 OR 3 PER CENT, IN REAL
TERMS. HE NOTED THAT THE RECENT UNDP DECISION TO CONTRACT PROJECTS
TO NATIONAL INSTITUTIONS GIVES INCREASED JUSTIFICATION TO THE NEED
FOR A TECHNICAL COOPERATION PROGRAM IN FAO.

3. SAOUMA SAID HE WOULD STRONGLY PREFER NOT TO GIVE AN INDICATIVE
FIGURE TO THE NOVEMBER-DECEMBER 1976 COUNCIL. THE PROGRAM
PLANNING ON WH CH THE FINAL BUDGET MUST BE BASED BEGINS ONLY IN
EARLY 1977, AND AT THAT TIME WE WOULD ALSO BE CLOSER TO THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 18764 171332Z

BUDGET PERIOD INVOLVED AND BE BETTER ABLE TO ASSESS INFLATION
AND EXCHANGE RATE TRENDS. HE ASKED THAT HIS VIEW ON THIS BE
PRESENTED TO THE GENEVA GROUP. HE SAID HE WOULD RAISE THIS POINT
ALSO WITH THE GROUP-77 WHEN HE MEETS WITH THEM ON NOVEMBER 25.
THE CO-CHAIRMAN COMMENTED THAT THE GENEVA GROUP COUNTRIES WERE
LESS INTERESTED IN AN INDICATIVE FIGURE THAN IN A MEANINGFUL
DIALOGUE WITH FAO ON THE BASIC CONCEPTS OF PROGRAM ON WHICH THE
BUDGET WOULD BE DEVELOPED IN EARLY 1977. THE CO-CHAIRMEN SUGGESTED

THAT THE DIRECTOR-GENERAL EXPLAIN TO THE COUNCIL WHY HE DID NOT WISH TO PRESENT AN INDICATIVE FIGURE AT THAT TIME, AND TO STATE GENERAL BUDGET GUIDE-LINES, AS IN THE PRESENT CONVERSATION, AND SAOUMA AGREED. SAOUMA SAID HE WANTED TO OPERATE ON THE BASIS OF A TRUE CONSENSUS, WITHOUT CONTROVERSY OVER BUDGET FIGURES IN THE FAO COUNCIL MEETINGS BETWEEN THE DEVELOPING AND DEVELOPED COUNTRIES. TO THIS END, HE WAS PREPARED NOT ONLY TO CONSULT ON A CONTINUING BASIS BUT EVEN TO MAKE SOME CONCESSIONS IN BUDGET FIGURES, IN ORDER TO OBTAIN NOT ONLY A CONSENSUS IN THE CONFERENCES BUT ALSO A GENUINE COLLABORATION.

4. SOUNDINGS WITH OTHER GENEVA GROUP MEMBERS AFTER THE MEETING WITH SAOUMA INDICATES GENERAL AGREEMENT THAT IT WOULD BE BEST TO LET HIM NOT GIVE AN INDICATIVE FIGURE TO THE COUNCIL AND TO DEVELOP CONSULTATIONS IN EARLY 1977 AS THE PROGRAM OF WORK AND BUDGET IS DEVELOPED, AS THE MOST EFFECTIVE MEANS OF CONTROLLING THE BUDGET. THIS WILL BE DISCUSSED, TOGETHER WITH THE GENERAL GENEVA GROUP PAPER ON BUDGETS OF SPECIALIZED AGENCIES, IN A MEETING OF THE GENEVA GROUP IN ROME, FRIDAY AFTERNOON NOVEMBER 19. BEAUDRY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: vogelfj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME18764
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760428-0985
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761140/aaaabihu.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: vogelfj
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2004 by greeneet>; APPROVED <07 SEP 2004 by vogelfj>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GENEVA GROUP CO-CHAIRMEN DISCUSSION WITH FAO DIRECTOR GENERAL OF HIS INDICATIVE BUDGET FIGURE FOR 1978-1979 SUMMARY
TAGS: OCON, FAO, UN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006